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Assistant Director for Research and Reports

25 September 1956

THRU : Chief, Economic Research Area  
Chief, Industrial Division, ORR

Capability of ORR to Furnish Annual Production Estimates in  
Requested Areas to AFOIN-3.

1. In line with your recent discussions with Col. Brewer, AFOIN-3, we have reviewed carefully the list of commodities and industries which the Air Force submitted with accompanying inquiry as to the capability of ORR to supply annual estimates in these subjects. Preliminary examination indicated that responsibility for the subjects listed is shared about equally by D/M and D/I, and the following comments represent the conclusions of both divisions.

2. For the geographical areas indicated, ORR is currently capable of supplying annual estimates of production by plants for 28 of the 42 subjects listed, as a byproduct of current research efforts, and to a limited extent data have been assembled in 6 additional subjects. The current competence of ORR in each subject is listed in Attachment A, with comment where limitations exist or where qualification is necessary.

3. The following conclusions, relating to the whole problem, are submitted for appropriate further consideration:

a. Estimates of Production, vs. Capacity

As you have already indicated to Col. Brewer, our estimates are regularly based on production, with little or no attempt to quantify capacity. Consequently, in all areas, we propose to supply estimates based on production only. For many of the subjects listed, however, published ORR reports may show enough historical data to provide continuity of consideration.

b. Timeliness of Estimates

Reliable and accurate estimation of production is practicable only on completion of a stated period, involving generally an additional space of time for receipt of adequate

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reports. Consequently, on 1 January it is difficult to feel assurance that the previous year's production can be measured accurately and, if figures for the year just commencing are desired, they will of necessity be projections based on the considered judgement of the responsible offices. It is desirable that an understanding be effected with Air Force that reliable estimates of production in a given year probably are not practicable before the middle of the following year, and that estimates involving less historical lag will have correspondingly less validity.

**c. Research Time Involved**

(1) The attached tabulation represents the competence of ORR under current conditions of research, and presupposes expenditure of a minimum of time for assembling, checking, and tabulating figures. Based on estimates set up tentatively for each of the subjects listed, it is believed that 900 - 1200 man hours of research time would be required in FY 1957 to accomplish the above objective.

(2) In the future, owing to shifts of emphasis in research, and to personnel limitations, some of the subjects listed may not be included in annual research programs, and may therefore not receive sufficient attention to permit estimates. Moreover, the complexity and changing conditions in the chemical industry will limit the ability of W/CH to contribute plant estimates regularly on all subjects under its interest, unless sufficient time is allowed for research necessary to effect compilation of plant production figures.

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Attachment A

Distribution:

Orig. and 1 - Addressee  
1 - Ch/E  
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